

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

PARTY CITY HOLDCO INC., *et al.*,¹

Debtors.

)
) Chapter 11
)
) Case No. 23-90005 (DRJ)
)
) (Jointly Administered)
)

**NOTICE OF SUCCESSFUL AND BACKUP BIDDERS WITH
RESPECT TO THE AUCTION OF CERTAIN OF THE DEBTORS' LEASES**

PLEASE TAKE NOTICE that on March 14, 2023 the United States Bankruptcy Court for the Southern District of Texas (the “Court”) entered the *Order (I) Establishing Procedures to Sell Certain Leases and (II) Granting Related Relief* [Docket No. 678] (the “Bid Procedures Order”),² attached hereto as Exhibit A, by which the Court approved procedures setting forth the process by which the Debtors are authorized to conduct an auction (the “Auction” and, such procedures, the “Auction Procedures”) for the sale of certain unexpired leases of nonresidential real property (each, a “Lease”).

PLEASE TAKE FURTHER NOTICE that, on April 14, 2023, pursuant to the Bid Procedures Order, the Debtors conducted the Auction with respect to certain of the Leases.

PLEASE TAKE FURTHER NOTICE that, at the conclusion of the Auction, the Debtors, in consultation with their professionals and the Consultation Parties, selected the following Successful Bidder and Backup Bidder with respect to each of the Leases listed on Exhibit B attached hereto. The Debtors hereby notify you that they have determined, in the exercise of their business judgment, that each unexpired lease set forth on Exhibit B will be assumed and assigned effective as of (a) the date the Court enters the Sale Order or (b) the date agreed upon by the Debtors and any counterparty to such Leases as set forth in Exhibit B (such

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Party City Holdco Inc. (9758); Amscan Custom Injection Molding, LLC (4238); Amscan Inc. (1359); Amscan Purple Sage, LLC (3514); Am-Source, LLC (8427); Anagram Eden Prairie Property Holdings LLC (8309); Party City Corporation (3692); Party City Holdings Inc. (3029); Party Horizon Inc. (5812); PC Intermediate Holdings, Inc. (1229); PC Nextco Finance, Inc. (2091); PC Nextco Holdings, LLC (7285); Print Appeal, Inc. (5932); and Trisar, Inc. (0659). The location of the Debtors’ service address for purposes of these chapter 11 cases is: 100 Tice Boulevard, Woodcliff Lake, New Jersey 07677.

² All capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Bid Procedures Order or the Debtors’ *Motion for Entry of an Order (I) Establishing Procedures to Sell Certain Leases and (II) Granting Related Relief* [Docket No. 410].

date, the “Assignment Date”), or such other date as the Debtors, any counterparty to such Leases, and the proposed assignee agree.³

PLEASE TAKE FURTHER NOTICE that the Sale Hearing to consider approval of the sale, liquidation, or other disposition of the Leases to the Successful Bidders at the Auction, free and clear of all liens, claims, interests, and encumbrances in accordance with Bankruptcy Code section 363(f), and enter the Sale Order, in the proposed form set forth on Exhibit C, will be held virtually before the Judge David R. Jones **on May 4, 2023 at 4:30 p.m. prevailing Central Time**. The proposed form of Sale Order remains subject to ongoing review by the Debtors, the Consultation Parties, the applicable Successful Bidders, and the applicable Lease Counterparties.

PLEASE TAKE FURTHER NOTICE that, at the Sale Hearing, the Debtors will seek the Court’s approval of the Successful Bid. Unless the Court orders otherwise or as agreed to by the applicable parties, the Sale Hearing shall be an evidentiary hearing on matters relating to the sale and there will be no further bidding at the Sale Hearing. In the event that the Successful Bidder cannot or refuses to consummate the sale following entry of a Sale Order because of the breach or failure on the part of the Successful Bidder, the Debtors shall promptly file a supplemental notice on or before the Sale Closing Deadline, seeking to approve the sale to the Backup Bidder, if applicable, on expedited notice and a hearing.

PLEASE TAKE FURTHER NOTICE that the Debtors believe that the party to which each of the Leases, as applicable, will be assigned has the financial wherewithal to meet all future obligations under such unexpired leases and the Debtors will, within twenty-four (24) hours of the Auction, provide evidence thereof to such applicable lease counterparty (and their counsel, if known) thereby demonstrating that the proposed assignees of the Leases have the ability to comply with the requirements of adequate assurance of future performance.

PLEASE TAKE FURTHER NOTICE that parties objecting to the proposed assumption and assignment, the Successful Bidder’s proposed form of adequate assurance of future performance, and/or Cure Costs must file a written objection (each, an “Objection”) so that such objection is filed with the Court by **April 28, 2023, at 5:00 p.m. prevailing Central Time** and serve such Objection on: (a) Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019; (b) Porter Hedges LLP, 1000 Main Street, 36th Floor, Houston, Texas 77002; (c) the Office of the United States Trustee for the Southern District of Texas; (d) counsel to the Committee, Pachulski Stang Ziehl & Jones LLP, 780 Third Ave., 34th Fl., New York, NY 10017; (e) JPMorgan Chase Bank, N.A., as Prepetition ABL Agent, and counsel thereto, Simpson Thacher & Bartlett LLP, 425 Lexington Ave., New York, NY 10017; (f) counsel to the Ad Hoc Noteholder Group, Davis Polk & Wardwell LLP, 450 Lexington Ave., New York, NY 10017; (g) Ankura Trust Company, LLC, as agent under the DIP Facility, 140 Sherman St., 4th Fl., Fairfield, CT 06824, and counsel thereto, Chapman and Cutler LLP, 1270 Avenue of the Americas, New York, NY 10020; and (h) the applicable Successful Bidder(s) and Backup Bidder(s).

³ For the avoidance of doubt, the Debtors will, prior to the Sale Hearing, remove from the applicable motion to/notice of rejection any Leases listed on Exhibit B that they have previously moved to reject. Additionally, the assumption and assignment of the Leases for stores # 814 and 979 are subject to pending objections. The Debtors are working to consensually resolve such objections in advance of the Sale Hearing.

CONSEQUENCES OF FAILING TO TIMELY MAKE AN OBJECTION

ANY PARTY OR ENTITY WHO FAILS TO TIMELY MAKE AN OBJECTION TO THE SALE ON OR BEFORE THE TRANSACTION OBJECTION DEADLINE IN ACCORDANCE WITH THE ORDER SHALL BE FOREVER BARRED FROM ASSERTING ANY OBJECTION TO THE SALE, INCLUDING WITH RESPECT TO THE DISPOSITION OF THE DEBTORS' ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS, EXCEPT AS SET FORTH IN SUCH OTHER AGREEMENT WITH THE SUCCESSFUL BIDDER.

PLEASE TAKE FURTHER NOTICE that, absent an Objection being timely filed, the assumption and assignment of each Lease shall become effective on the Assignment Date set forth in Exhibit B.⁴

PLEASE TAKE FURTHER NOTICE that, if an Objection is timely filed and not withdrawn or resolved, such Objection will be heard at the Sale Hearing or such other date and time as agreed to by the Debtors and the objecting party or ordered by the Court. If such Objection is overruled or withdrawn, such Lease shall be assumed as of the Assignment Date.

PLEASE TAKE FURTHER NOTICE that copies of the Auction Procedures and the Bid Procedures Order, as well as all related exhibits, including the form assumption and assignment agreement, are available: (a) upon request to Kroll Restructuring Administration LLC (the claims, noticing, and solicitation agent retained in these chapter 11 cases) by calling (888) 905-0493 (toll free) or, for international callers, (646) 440-4580; (b) by visiting the website maintained in these chapter 11 cases at <https://cases.ra.kroll.com/PCHI/>; or (c) for a fee via PACER by visiting <http://www.txsb.uscourts.gov>.

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An objection to the assumption and assignment of any particular Lease listed in this Notice of Successful and Backup Bidders shall not constitute an objection to the assumption and assignment of any other Lease listed in this Notice of Successful and Backup Bidders. Any objection to the assumption and assignment of any particular Lease listed in this Notice of Successful and Backup Bidders must state with specificity the Lease(s) to which it is directed. For each particular unexpired lease whose assumption and assignment is not timely or properly objected to, such assumption and assignment will be effective in accordance with this Notice of Successful and Backup Bidders and the Bid Procedures Order.

April 14, 2023

Respectfully submitted,

By: /s/ John F. Higgins

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*Counsel to the Debtors and
the Debtors in Possession*

Certificate of Service

I certify that on April 14, 2023, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ John F. Higgins

John F. Higgins